



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
Colorado River Valley Field Office  
2300 River Frontage Road  
Silt, Colorado 81652  
(970) 876-9000

In Reply Refer to:  
(CON040)  
COC70016

May 9, 2016

Certified No. 7015 0640 0006 3021 8892  
Return Receipt Requested

Caerus Oil and Gas, LLC  
Attn: Armando Trevino  
1001 17<sup>th</sup>. Street; Suite 1600  
Denver, CO 80202

## DECISION

Re: Suspension of Operations and Production for Federal Oil and Gas Lease COC70016

Dear Mr. Trevino:

This letter is in response to the suspension request letter dated April 25, 2016. Lease COC70016 underlies national forest systems lands managed by the U.S. Forest Service, White River National Forest. The Bureau of Land Management's (BLM) Colorado River Valley Field Office is responsible for managing the subject federal mineral estate. The Lease was issued with an effective date of June 1, 2007, with a ten-year primary term.

The BLM has identified the need to address a National Environmental Policy Act (NEPA) deficiency associated with the initial decision to issue the Lease. The BLM is in the process of writing an Environmental Impact Statement (EIS) to address the NEPA deficiency and it is anticipated to be completed in the fall of 2016.

Section 39 of the Mineral Leasing Act, as amended, provides for suspension of a Federal oil and gas lease either (1) as a matter of right where, through some act, omission, or delay by a Federal agency, beneficial enjoyment of a lease has been precluded, such as where delays imposed upon the lessee due to administrative actions have the effect of denying the lessee timely access to the Lease, or (2) as a matter of discretion, in the interest of conservation. See 30 U.S.C. § 209; 43 C.F.R. § 3103.4-4. Because no leasehold activities will be authorized until the completion of the EIS and will therefore deny you timely access to the Leases, the BLM has decided that granting a Suspension of Operations and Production for the Leases would be in the interest of conservation.

The Suspension of Operations and Production is effective April 1, 2016, the first day of the month in which the request was received. This suspension for the Lease will be in effect until the authorized officer determines that the suspension would no longer be in the interest of conservation and/or the EIS is complete and a Record of Decision has been signed regarding the status of the Lease.

Rental payments will be suspended during the period of the Suspension of Operations and Production. Caerus Oil and Gas, LLC may engage in casual use activities during the period of suspension. BLM will not authorize any ground-disturbing activities during the period of suspension.

In accordance with 43 C.F.R. 3165.3, any adversely affected party contesting this decision may request an

administrative review of this decision, before the State Director, either with or without oral presentation. This request, including all supporting documentation, shall be submitted in writing within 20 business days of the date this decision was received, or considered to have been received, and shall be sent to: Colorado State Director, 2850 Youngfield Street, Lakewood, Colorado 80215-7076. The decision of the State Director may then be appealed to the Interior Board of Land Appeals in accordance with 43 C.F.R. 3165.4.

Please contact Steve Ficklin, Program Manager, at (970) 876-9006 with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Karl Mendonca', with a stylized flourish at the end.

Karl Mendonca  
Field Office Manager

Cc. BLM Colorado State Office (CO-910)  
Attn: Cheryl Hirschel  
2850 Youngfield Street  
Lakewood, CO 80215

Office of Natural Resources Revenue  
PO Box 25165  
Denver CO 80225-0165